

Murray City Municipal Council Chambers Murray City, Utah

The Municipal Council of Murray City, Utah, met on Tuesday, the 16th day of June, 2015 at 6:30 p.m., for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Roll Call consisted of the following:

Blair Camp,	Council Chair
Brett Hales,	Councilmember
Diane Turner,	Councilmember
Jim Brass,	Councilmember – Excused
Dave Nicponski,	Councilmember – Conducted

Others who attended:

Ted Eyre,	Mayor
Jan Wells,	Chief Administrative Officer
Jennifer Kennedy,	City Recorder
Frank Nakamura,	City Attorney
Janet Lopez,	Council Administrator
Janet Towers,	Executive Assistant to the Mayor
Craig Burnett,	Police Chief
Gil Rodriguez,	Fire Chief
Justin Zollinger,	Finance Director
Tim Tingey,	Administrative and Development Services Director
Scouts	
Citizens	

5. Opening Ceremonies

5.1 Pledge of Allegiance – Tim Tingey, Administrative and Development Services Director

5.2 Approval of Minutes

5.2.1 Council Meeting – June 2, 2015

Mr. Hales made a motion to approve the minutes

Ms. Turner seconded the motion

Voice vote taken, all “ayes.”

5.3 Special Recognition

5.3.1 None scheduled.

6. Citizen Comments (Comments are limited to 3 minutes unless otherwise approved by the Council.)

No comments given.

7. Consent Agenda

7.1 None scheduled.

8. Public Hearings

8.1 Public Hearing #1 – Continued from June 2, 2015

8.1.1 Staff and sponsor presentations and public comment will be given prior to Council action on the following matter:

Consider an Ordinance adopting the Final 2015 – 2016 Fiscal Year Budgets for Murray City including the Library Fund budget.

Staff Presentation: Justin Zollinger, Finance Director

Mr. Zollinger said the budget has gone from the departments to the Mayor and now it is before the Council. Some of the things that were discussed were additional sales tax for roads. An additional \$950,000 has been allocated towards roads and the budget has been changed to reflect that. One hundred thousand of that came from Class C money increases and the rest came from sales tax in the form of the .2% that is being proposed tonight.

Mr. Zollinger stated there are some projects the City will be able to do next

year. We will be able to replace one fire truck, ten police cars, and the phone system for the entire city. We will be able to put in a new trail around the Murray Park. That entire trail is in need of repair and it will be replaced. The central restroom for pavilions 1, 2, and 3 needs to be replaced and the new budget allows for it to be replaced. Also, in Murray Park, a small pavilion will be built next to the playground to provide shade for people watching their children play. The City will be able to replace two playgrounds next year. Work will be done on the Animal Shelter which is in need of repair. An additional \$200,000 will be put towards other trails in the City.

Mr. Zollinger stated another larger item is that the City will be able to pay off the rest of the bonds in the Power Department which is a great thing. The Power Department will be completely out of debt.

Mr. Zollinger expressed his appreciation to the Mayor, the Department Heads, and Council as they have gone through this process to build this document. The citizens can access the budget document online and if they have any questions, they can contact Mr. Zollinger.

Ms. Turner thanked Mr. Zollinger for treating the City's tax money and funds almost as if they were his own. She said Mr. Zollinger does a wonderful job and the Council appreciates that.

Mr. Zollinger replied it is his fiduciary responsibility to make sure the City strives to be very careful with tax dollars. He takes that very seriously.

Mr. Nicponski stated the City received an additional \$900,000 for the roads. He asked Mr. Zollinger what the amount was before the amount came to \$900,000.

Mr. Zollinger answered that before that, there was approximately \$400,000 that was not allocated to a specific project. That, in addition to the sales tax money and Class C funds, has put the amount up to \$950,000 for roads.

Mr. Nicponski asked if that money was going to be used for the list they were talking about.

Mr. Zollinger stated that was correct.

Mr. Nicponski asked what the overall increase from last year to this year was.

Mr. Zollinger replied it was \$550,000, excluding the sales tax; it would be \$3,000,000 including sales tax.

Public Hearing Open for Public Comment

Richard Crangle – 1628 East Vine Street, Murray, Utah

Mr. Crangle said he had a question about the Murray City Library Fund. He asked what the criteria is by which libraries decide to acquire certain books and other resource materials. He was at a meeting about six months ago and there was a request from the Library for an additional \$25,000 or so. It was approved but there was no rationale given as to the criteria by which decisions are made to acquire certain books. Do the librarians read books and then decide or do they use other means.

Mr. Zollinger responded he would pass Mr. Crangle's question on to Kim Fong, Library Director.

Mr. Nakamura stated tonight's meeting is for funding. The Council is the funding side of the City's Mayor/Council form of government. The City has a Library Director and a Library Board. The Library Director is trained and has immense experience; there are national standards they follow to determine the books they purchase. This is why the City has a Library Director and they defer to her to make a lot of those decisions and follow the national and local standards in evaluating that. Mr. Crangle could get those standards by contacting the library. The Council does not get into the purchase of books.

Public comment closed.

8.1.2 Council consideration of the above matter.

Ms. Turner made a motion to adopt the Ordinance
Mr. Hales seconded the motion

Mr. Camp stated there were several comments during the last meeting regarding the transfer of money for storm water. The Council has determined they will have a discussion on that, not for this budget year because it would require changing the Ordinance in Chapter 13 of the City Code, but the Council does intend to have a discussion on that between now and the next budget.

Mr. Nakamura said the City is adopting, with the budget, and intent document that will be accompanying the budget.

Call vote recorded by Jennifer Kennedy

 A Mr. Camp
 A Ms. Turner
 A Mr. Hales
 A Mr. Nicponski

Motion passed 4-0

8.2 Public Hearing #2

- 8.2.1 Staff and sponsor presentations and public comment will be given prior to Council action on the following matter:

Consider an Ordinance amending the City's fiscal Year 2014 – 2015 Budget.

Staff Presentation: Justin Zollinger, Finance Director

Mr. Zollinger said these are some last little housekeeping items for the budget we are currently in.

The first item is the City needs to remove 9.5 million dollars from the City's budget. The State Auditor was requiring cities to report the sales tax that is collected by UTA. Mr. Zollinger spoke to the State Tax Commission who told him that did not make sense because the City did not impose that tax, the County did. Mr. Zollinger then spoke with the State Auditor's office and they said that the City does not have to report that.

The City had tried to comply thinking it was needed; it turns out it is not. The County is actually the one that has to record this revenue on their books, not the cities, at least in Salt Lake County. This line item is removing 9.5 million dollars from the General Fund budget on the revenue side and also on the expense side. It was not increasing or decreasing the City's money in any way, it was just an accounting and recording budget entry.

Mr. Zollinger stated in addition this was affecting the City's reserves. If we would have had to record this revenue on our books it would have made it so potentially we could have had much more in reserves. We were dropping our rate from 25% target of reserves down to 22%. Since we do not have to record this revenue we can keep the reserves at a 25% target rate.

Mr. Zollinger stated the City needs to increase the General Fund by \$37,500, funded by sales tax money, because the Winchester Bridge Project has come in higher than anticipated. The City has been asked to pay that to help fund that project. The total cost for Murray City is \$212,500. There is a matching portion where the County matches ours and the State is putting in \$350,000. It is a pretty big project and the City is putting in a little less than one third of the cost.

Mr. Zollinger said in preparation for the future Capital Improvement Plan (CIP) they are moving money from the General Fund to the Capital Projects Fund in preparation for upcoming budget years for the CIP. The amount being transferred is \$600,000 which is being funded by sales tax.

Mr. Camp said he recalls the City anticipated there may be cost overruns for the Winchester Bridge Project. He verified with Mr. Zollinger this was not a surprise to the City.

Mr. Zollinger said not that he was aware of. The City was hoping it would come in a little lower, and it still could, but initially the estimates came in higher.

Mr. Nakamura added that Salt Lake County and the State are contributing towards that overrun as well.

Public Hearing Open for Public Comment

No public comments given.

Public comment closed.

8.2.2 Council consideration of the above matter.

Mr. Camp made a motion to adopt the Ordinance
Ms. Turner seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Camp
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski

Motion passed 4-0

9. Unfinished Business

9.1 None scheduled.

10. New Business

10.1 Consider an Ordinance imposing a Municipal Sales and Use Tax.

Staff presentation: Justin Zollinger, Finance Director

Mr. Zollinger said in 2006 the State Legislature passed Senate Bill 35 which changed the way sales tax was distributed. This resulted in 14 cities in Utah that received less sales tax for their continued operations. Murray City was one of those cities that was affected negatively. The Senate voted 100% in favor of this bill and

the House voted 86.3% in favor of this bill.

In 2007, Senate Bill 170 cosponsored by Senator Bramble and Senator Stephenson was created and passed. The State Legislature realized it did considerable harm to those 14 cities. Senate Bill 170 provided a hold harmless provision in which a city would receive at least 90% of their past sales tax. Both the House and Senate voted 100% in favor, realizing this was a problem they had created. They were trying to create a short-term remedy. This part of the bill is no longer in place.

In 2008 the State Legislature realized the harm done to these cities was long term and passed House Bill 172 which made this additional sales tax rate available that is being considered tonight to those cities as long as it was passed before June 30, 2016. The Senate voted 82.7% and the House voted 92% in favor of this action to create a solution for those cities.

Since this time, Murray City has reduced staffing in the Police Department by 6 officers and the Fire Department has been reduced by 2 firefighters/paramedics. We have had less money to work on and repair our roads and less money for maintenance on our parks and trails. This is what the citizens have lost over this period of time from this change that occurred.

With this .20% passage of the sales tax, the citizens will gain three police officers and two firefighter/paramedics. There will be more road money so we can repair roads, parks and pavilions will be updated, and we can add more trails to connect the City.

Murray City has communicated with many city business leaders through mail and verbally to discuss this idea. None of them have expressed concern. This .20% sales tax helps Murray City return back to the level of service the citizens have come to expect from their local government.

Mr. Hales stated Mayor Eyre has done a tremendous job in contacting businesses. He has talked to some of those businesses himself and he has found the same thing. He asked how many letters were sent out and how many businesses and people attended the meetings.

Mayor Eyre replied they sent out 50 individual letters to the top 50 businesses and had a seminar forum of 25 other businesses for a total of 75. Not a single negative comment was received. All the comments that were received were favorable.

Mr. Zollinger added the budget was balanced without this. The City has so many needs for roads, parks and other things the City wants to do. The City has implemented the CIP process to help provide funding on a pay as you go basis but the Mayor and city leaders wanted to do more. This was one of the options available to the City.

Mr. Camp pointed out that the budget that was just passed is balanced based on the projected revenues from this tax increase. They would have to go back and make changes in the budget if this does not get passed.

Ms. Turner made a motion to adopt the Ordinance
Mr. Hales seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Camp
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski

Motion passed 4-0

- 10.2 Consider an Ordinance adopting the rate of tax levies for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016.

Staff presentation: Justin Zollinger, Finance Director

Mr. Zollinger said as the County Auditor did the City's rate calculation there was some new growth in Murray City. That new growth provided the City with an additional \$40,000 in property taxes. This is one of the few ways revenue actually does grow. The City's tax rate for the General Fund is .001648 which is just a little less than last year and that is just how the certified tax rate works. As property taxes remain even, the tax rate actually goes down. The certified tax rate for the Library Fund is .000401.

Mr. Hales made a motion to adopt the Ordinance
Mr. Camp seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Camp
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski

Motion passed 4-0

- 10.3 Consider a Resolution encouraging the Salt Lake County governing body to submit the HB 362 (2015) authorized 0.25% Local Option General Sales Tax, dedicated to transportation, to the voters of Salt Lake County in November 2015.

Staff presentation: Blair Camp, Councilmember

Mr. Camp said House Bill 362 gives the option for the County to impose a local option sales tax of .25%. If approved by the voters, .10% would go to the City, .05% to the County and .10% to UTA. This Resolution is simply showing support to put this item on the ballot so voters can decide if they want to vote for this local option. It would be imposed by the County if passed.

Mr. Nicponski said this amounts to \$0.25 on a \$100.00 purchase. He asked Mr. Zollinger how much money the City would get from this.

Mr. Zollinger responded approximately 1.3 million in road money for the City.

Mr. Hales said this is not something the Council is necessarily in favor of. Personally, he is in favor of putting it on the ballot so the citizens can make the decision. This is nothing that as a councilmember he is supporting.

Ms. Turner made a motion to adopt the Resolution
Mr. Camp seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Camp
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski

Motion passed 4-0

- 10.4 Consider a Resolution authorizing the execution of a Telecommunications Franchise Agreement with XO Communications Services, LLC.

Staff presentation: Frank Nakamura, City Attorney

Mr. Nakamura stated under Utah and Federal law anyone who wants to do telecommunications business in the City has a right to use the right-of-ways. The City cannot exclude them from using the right-of-ways, however, we can require them to sign a Franchise Agreement. The purpose of the Franchise Agreement is to govern how they are going to use the right-of-way in cooperation with the City and other users. This does not impose a fee; the Municipal Telecommunications Fee is done separately through the Utah Tax Commission.

The purpose of this Franchise Agreement is merely to allow XO Communications to use the City's right-of-ways for their telecommunications services and imposing user requirements. Under Utah Law, a Legislative Body must approve it before they can use the right-of-ways.

Mr. Camp made a motion to adopt the Resolution
Mr. Hales seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Camp
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski

Motion passed 4-0

11. **Mayor**

11.1 Report

Mayor Eyre stated last Friday night was the third movie in the park, it was Despicable Me 2. The first movie in the park was held during a time when it was rainy out so they took it inside the Park Center where they had between 300-400 people that evening. The second movie in the park was held on an evening with very nice weather. There were around 1,000-1,500 who attended that. Last Friday night they estimated about 1,700 people came out for that movie. They have music from 8:30-9:30 and the movie starts at 9:30. Of the 1,700 people that were there, about 1,500 stayed until the end of the movie.

The next movie will be on June 26, 2015. That will also be the City's first food truck rally. There will be about nine different food trucks that will be in the park that evening on the north side of Constitution Circle. The food trucks normally bring in about 1,500 people. This will be a wonderful and exciting evening for the City. It will be exciting to see how the food trucks add to the experience in the park. Starbucks grand opening is also that same day.

Mayor Eyre expressed his appreciation to the Council. In in the open and public portion of the RDA they considered and approved the purchase of a property that will give access from this area to our park. It is very important and it will be used very wisely to help the City not take away green space from the park and add many amenities in that area that will add a great deal to the City and community. It will also add a wonderful access from this area right into the brand new park area.

Mayor Eyre attended the ribbon cutting of the forth Recovery Ways in the City. They have chosen Murray because of the way the Murray Building Department cooperates with them. They have never been in a city that has assisted them so much in their application and building process. This facility has 56 rooms in it for individuals recovering from different forms of addiction. They decided because of the success they have had in Murray to move all of their corporate offices and operations out of Florida to Murray. They entire top floor of their new facility is

their corporate people that were based in Florida.

Mayor Eyre stated for the last six months he has been telling the Council every two weeks that he would have a decision for them on the Performing Arts Center. Murray City will not be receiving the Performing Arts Center but the other news is that at this time no one is going to receive it. The County has determined they want to remove the RFP, study it for a period of time and reintroduce it again. This gives the City the opportunity to wait for the other RFP or to develop that in a way that would be best for our community.

11.2 Questions for the Mayor

Mr. Camp expressed his gratitude to the Mayor and his staff for the hard work they did in getting the budget together. Mr. Camp said he appreciates the vision the Mayor has for the City and how it is starting to take shape in the form of the upcoming budget.

Mayor Eyre said they are excited about some of the additional opportunities that are available to the City. The lion's share of the work with regards to putting the budget together was from Mr. Zollinger and his staff. It was a pleasure for everyone to work with him and coordinate their efforts.

12. Adjournment

Jennifer Kennedy, City Recorder